



**Preston
Rowe
Paterson**

®
International Property Consultants

Sydney Impact Report

Retail Market

December Quarter 2016

Sydney's Retail Sector Strengthens as 2017 Approaches

In Australia, retail turnover increased by a seasonally adjusted 0.2% over the month of November, which is a modest decline from October's rise of 0.5% and September's rise of 0.6%. When we look at retail turnover by state, New South Wales experience the largest increase of 0.5%, followed by Victoria (0.4%), Queensland (0.1%), Tasmania (0.1%) and the Northern Territory (0.3%). Its performance followed a similar trend to that of Australia, which overall had a turnover of \$25.7 billion. The NAB Online Retail Sales Index increased by 1.1% over the month of November, a significant increase from the previous month's rise of 0.5%. However, we note that year on year increased slowed from 14.1% to 13.3%, as National Bank Australia estimated a figure of \$21.4 billion was spent online in the twelve months to November 2016.

Sydney's retail sector continues to reap in the benefits of a low interest rate environment, as retailers and owners of retail properties enjoy the ongoing gains from the first half of 2016. There is a high investor demand in Sydney not seen anywhere else in Australia, with the strong retail sector supported by New South Wales' strong economy, favourable exchange rate and succeeding boom in the tourism sector and strong state-wide housing market. Compression of yields in retail properties have been apparent with the transactions that have occurred in the past year. Strong investor demand have also driven rental growth, as Sydney experience an increase in population growth in the next few years and improving infrastructure developments.

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Retail Statistics

In Australia, retail turnover increased by a seasonally adjusted 0.2% over the month of November, which is a modest decline from October's rise of 0.5% and September's rise of 0.6%. When we look at retail turnover by state, New South Wales experience the largest increase of 0.5%, followed by Victoria (0.4%), Queensland (0.1%), Tasmania (0.1%) and the Northern Territory (0.3%). In contrast, Western Australia (-0.6%), South Australia (-0.4%) and the Australian Capital Territory (-0.1%) all experienced declines in turnover for the month of November.

New South Wales achieved a seasonally adjusted turnover of \$8.286 billion over the month of November, an increase of 0.5% over the month. When we look at year-on-year percentage changes in retail turnover for different subgroups, Clothing, footwear & personal accessory experienced the largest increase of 7.51%. Café, restaurants & takeaway food services (6.6%), Household goods (4.9%), Food retailing (3.80%) and Other retailing (3.4%) all experienced increases over the year, whilst Other recreational goods (-6.62%), Department stores (-2.7%), Electrical good (-2.7%) and Furniture & houseware retailing (-0.91%) dragged down the state's overall turnover performance. New South Wales performance followed a similar trend to that of Australia, which overall had a turnover of \$25.7 billion. Australia's performance was lifted up by Clothes, Hardware items and Takeaway foods, and was dragged down by Recreational goods, Department stores and Electrical goods.

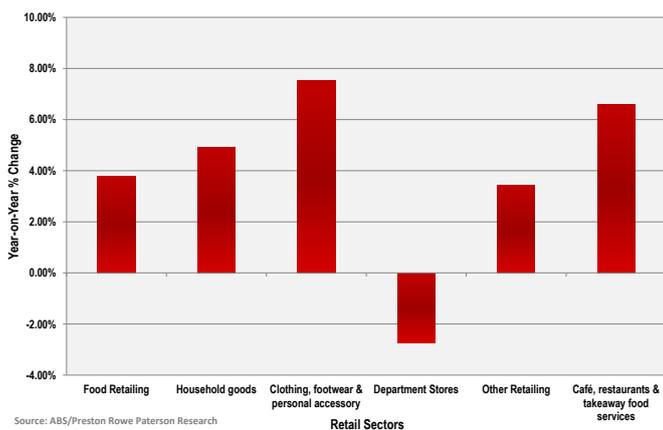


Chart 1—Year on Year % change to November 2016 of retail subgroups—Source—ABS

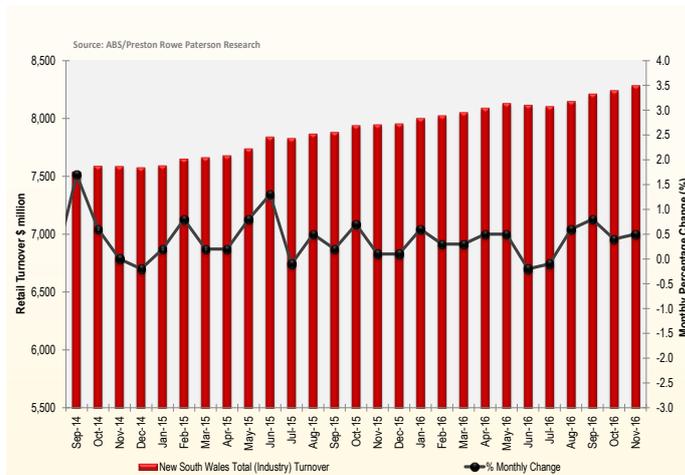


Chart 2—New South Wales Retail Turnover—Source—ABS

Online Retail

The Australian & New Zealand Standard Industrial Classification (ANZSIC) defines 'retail trade' as "the purchase and on-selling, commission-based buying, and commission-based selling of goods, without significant information, to the general public".

The NAB Online Retail Sales Index increased by 1.1% over the month of November, a significant increase from the previous month's rise of 0.5%. However, we note that year on year increased slowed from 14.1% to 13.3%, as National Bank Australia estimated a figure of \$21.4 billion was spent online in the twelve months to November 2016. This represents a 7.1% of total spending by traditional retail spending as measured by the ABS). NAB noted that declines in spending in Homeware and appliances (10.5%, year-on-year in November, compared to 14.9% year-on-year in October), Media (19.2% year-on-year, compared to 23.8% year-on-year) contributed to the overall annual slowdown of online retail. However, increase in spending on Groceries & liquor (8.5% year-on-year, compared to 4.7% year-on-year) and Fashion (21.1% year-on-year, compared to 15.0% year-on-year) helped to counteract a larger than expected decline.

	Year-on-year Growth (%)		
	September 2016	October 2016	November 2016
Online Index	15.3	14.1	13.3
ABS Retail	4.4	2.1	3.4

Table 1—NAB Online Retail Sales Index—Source—NAB, ABS

RETAIL MARKET

Analysis of the Property Council of Australia's (PCA) Shopping Centre Directory has revealed the following definitions of the eight core classifications of shopping centres;

1. **City Centre**—Retail premises within an arcade or mall development with a total gross lettable area **exceeds 1,000 sqm**.
2. **Super Regional Centre**—A major shopping centre which typically includes two full line department stores, two supermarkets, one or more full line discount department stores and approximately 250 specialty shops. Total gross lettable area **exceeds 85,000 sqm**.
3. **Major Regional Centre**—A major shopping centre with at least one full line department store, one or more full line discount department stores, a supermarket and approximately 150 specialty shops. Total gross lettable area ranges **between 50,000 & 85,000 sqm**.
4. **Regional Centre**—A shopping centre with one full line department store, a full line discount departments store, supermarket and approximately 100 specialty shops. Total gross lettable area ranges **between 30,000 & 50,000 sqm**.
5. **Sub-Regional Centre**—A medium sized shopping centre with at least one full discount department store, major supermarket and approximately 40 specialty shops. Total gross lettable area ranges **between 10,000 & 30,000 sqm**.
6. **Neighbourhood Centre**—A local shopping centre comprising a supermarket and approximately 35 specialty shops. Total gross lettable area is **less than 10,000 sqm**.
7. **Outlet Centre**— A medium to large sized shopping centre which does not normally include a department store, discount department store or supermarket. Comprises of specialty shops often selling stock at discounted prices including samples, seconds ad discontinued lines.
8. **Bulky Goods Centre**— A medium to large sized shopping centre dominated by bulky goods retailers (furniture, white goods and other home wares), occupying large areas to display merchandise. Typically contain a small number of specialty shops. Total gross net lettable area retail is generally **greater than 5,000 sqm**.

Investment Activity

Preston Rowe Paterson Research recorded a number of significant retail sales in New South Wales over six months to September 2016.

Centre	Address	Sale Price	Sale Date	Reported Yield	Vendor	Purchaser	GLAR (sqm)	\$/sqm	Type
Marketfair Campbelltown Mall	4 Tindall Street, Campbelltown NSW 2560	\$ 48,250,000.00	Aug-16	6.50%	Private owner	APOF II	9,094	\$ 2,098.00	Enclosed Retail Centre
David Jones	77 Market Street, Sydney NSW 2000	\$ 360,000,000.00	Aug-16	4.50%	Woolworths Holdings	Scentre Group/Cbus Fund	9,427	\$ 32,030.00	Enclosed Retail Centre
Campbelltown Mall	271 Queen Street, Campbelltown NSW 2560	\$ 197,000,000.00	Sep-16	6.00%	Perron Investments	Charter Hall Group	42,200	\$ 4,668.00	Enclosed Retail Centre
37 Epping Road, Macquarie Park NSW 2113	37 Epping Road, Macquarie Park NSW 2113	\$ 34,000,000.00	Sep-16	7-8.00%	Abacus Property Groups	CorVal	8,010	\$ 4,245.00	Bulky Goods Centre
Edgecliff Centre	Edgecliff NSW 2027	\$ 138,750,000.00	Sep-16	3.72%	Private owner	Longhurst Group	10,845	\$ 12,794.00	Enclosed Retail Centre
124 Campbell Parade, Bondi Beach NSW 2026	124 Campbell Parade, Bondi Beach NSW 2026	\$ 19,120,000.00	Sep-16	~3.00%	Rebel Property Group/ Eduard Litver/Gil Baron	private investor	335	\$ 57,058.00	Neighbourhood
17 Blaxland Serviceway, Campbelltown NSW 2560	17 Blaxland Serviceway, Campbelltown NSW 2560	\$ 13,981,000	Sep-16	N/A	Alafact Pty Ltd	Ceannlocha Investments Pty Ltd	676	\$ 20,682.00	Neighbourhood
282 Victoria Avenue, Chatswood NSW 2067	282 Victoria Avenue, Chatswood NSW 2067	\$ 37,000,000	Oct-16	6.22%	Nirad Pty Ltd	Ut 282 Victoria Pty Ltd	5,572	\$ 6,640.00	Neighbourhood
Kogarah Town Centre	1/9 Railway Parade, Kogarah NSW 2217	\$ 47,500,000.00	Oct-16	6.95%	Stonebridge Property Group	Private Investor	6,484	\$ 7,326.00	Enclosed Retail Centre
Menai Central	5/21 Carter Road, Menai NSW 2234	\$ 43,300,000	Oct-16	7.23%	Sentinel Property Group	Wingdom Group	10,165	\$ 4,260.00	Enclosed Retail Centre

Table 2—Retail Centre Sales Transactions - Source - Preston Rowe Paterson Research

Centre	Address	Sale Price	Sale Date	Reported Yield	Vendor	Purchaser	GLAR (sqm)	\$/sqm
Bathurst Supacentre	Bathurst Supa Centre, Kelso NSW 2795	\$ 14,500,000	Nov-16	7.51%	Private syndicate	private investor	6,565	\$ 2,209.00
Super AMART Auburn	315 Parramatta Road, Auburn NSW 2144	\$ 28,250,000	Dec-16	N/A	N/A	N/A	10,805	\$ 2,615.00
Bunnings Bathurst	21 Great Western Highway, Bathurst NSW 2795	\$ 25,500,000	Dec-16	5.35%	Bunnings Group	Private investor	14,272	\$ 1,787.00

Table 3—Large Format Retail Property Sales Transactions - Source - Preston Rowe Paterson Research
N/A = not currently available

Sales Information

Preston Rowe Paterson Research recorded many major retail transactions in the six months to September 2016. Notable sales transactions over the six months include:

David Jones, Market Street

Sydney's David Jones Market Street store was sold in August for **\$360 million**. The retail store, located at **77 Market Street**, was jointly acquired by Scentre Group and Cbus, of which the former group will pay \$182.5 million whilst CBUS will pay the remaining \$177.5 million. Furthermore, it is reported that Scentre will venture to redevelop the retail floors to adjoin to the rest of Westfield mall, while Melbourne-based superfund Cbus will develop the air rights into office spaces and apartments above. Currently, the site is occupied by a 13-storey building, however, after development, this could increase to 20 storeys.



David Jones menswear store on Market Street has been sold for \$360 million, with plans to construct apartments on top of a revamped retail centre.

Menai Central

The Menai Central retail complex, located in the South Sydney suburb of Menai, was acquired in October 2016 by Wingdom Group from Sentinel Property Group for \$43.3 million. The complex is anchored by supermarket IGA, liquor store Dan Murphy and fitness centre Goodlife Health Club, and offers 10,165 sqm of net lettable area and 275 parking spaces. It is reported by Sentinel the trust that held the property, Sentinel Menai Retail Trust, performed strongly amongst unlisted commercial property trusts and led to investors in the Trust to reap in a 11.5% return on equity generated by the complex's rental income.



Menai Central retail complex was acquired by Wingdom Group from Sentinel for \$43.3 million.

Kogarah Town Centre

Kogarah Town Centre was also sold in October, with the sale fetching \$47.5 million on a passing yield of 6.95%. The vendor, Stonebridge Property Group sold the centre to a private investor through an off market retail transaction. The neighbourhood centre contains approximately 6,485 sqm of net lettable area and is currently anchored by supermarket giants Woolworths and Aldi, along with eighteen specialty tenants and the Kogarah Tavern. Strong demand remains for retail centres that are close to full tenancies, with the property attracting strong interest from a variety of buyers.

Development Activity

Preston Rowe Paterson Research recorded a number of retail developments that are in various stages of construction in New South Wales over six months to September 2016.

Centre	Address	Type	New (sqm)	Extension (sqm)	Refurbish (sqm)	Completion
Top Ryde City	Cnr Devlin Street & Blaxland Road, Ryde NSW 2111	Sub Regional			8,700	Q4 2016
Bunnings Katoomba	48 Megalong Street, Katoomba NSW 2780	Bulky Goods	3,204			Q4 2016
Warriewood Square	Jacksons Road, Warriewood NSW 2102	Sub Regional		7,500		Q4 2016
Westfield Warringah Mall	Condamine Street & Old Pittwater Road, Brookvale NSW 2100	Super Regional		7,000		Q4 2016
Coles East Leppington	Leppington NSW 2179	Freestanding	5,440			2017
Emerton Village Shopping Centre	Jersey Road & Popondetta Road, Emerton NSW 2770	Neighbourhood		7,500		2017
Glenrose Shopping Centre (Stage 2)	56-58 Glen Street, Belrose NSW 2085	Neighbourhood		10,243		2017
Narellan Town Centre	326 Camden Valley Way, Narellan NSW 2567	Regional		36,000		2017
Macarthur Square Shopping Centre	200 Gilchrist Drive, Campbelltown NSW 2560	Major Regional		12,000		2018
Glemore Park Town Centre	1-11 Town Terrace, Glenmore Park, NSW 2745	Sub-Regional		8,700		2018
Stockland Green Hills Shopping Centre	1 Molly Morgan Drive, East Maitland NSW 2323	Sub Regional		37,000		2018
Stockland Glendale Shopping Centre	387 Lake Road, Glendale NSW 2285	Sub Regional		7,680		2019
Woolworths Prestons	Prestons, NSW 2170	Neighbourhood	6,100			2019
Bonnyrigg Shopping Village	Edensor Park, NSW 2176	Neighbourhood	13,000			2019
Crown Casino Retail	Barangaroo, NSW 2000	Mixed Use	6,700			2019
Woolworths Kellyville	Kellyville, NSW 2155	Neighbourhood	6,265			2019
Castle Towers Shopping Centre	6-14 Old Castle Hill Road, Castle Hill NSW 2154	Super Regional		80,000	113,457	2020
Woolworths Kirrawee	Kirrawee, NSW 2232	Freestanding	5,400			2020
Coles Schofields	Schofields, NSW 2762	Neighbourhood		4,200		2021
Sydney Fishmarkets	Bank Street & Pyrmont Bridge Road, Sydney NSW 2009	Mixed Use	15,500			2021
Westfield Roselands	Roseland Drive, Roseland NSW 2196	Regional		50,000	62,000	TBC

Table 4 - Retail Developments - Source - BCI/Preston Rowe Paterson Research

Development Information

The observable retail developments that are due for completion in 2016 and beyond in the Sydney metropolitan area are predominantly retail extension projects.

Macarthur Square

Macarthur Square is currently undergoing a \$240 million redevelopment, with the first stage completed and opened to the Public in November 2016, with stages two and three set to open in early and late 2017 respectively. Owned by Australian Prime Property Fund Retail (APPF Retail) and GPT Wholesale Shopping Centre Fund, Macarthur Square will become New South Wales's fifth largest shopping centres when fully completed. In total, 16,000sqm will be added to the overall retail space. The first stage comprised of the opening of a number of key fashion brands, with Swedish fashion retailer H&M the main attraction. Stage two will comprise of the introduction of 45 specialty stores, an alfresco dining terrace and fresh food market hall. A 4,500sqm Coles will also open, along with 500 parking spaces. The third stage will result in the construction of 1,500sqm Aldi, and 2,500sqm Harris Scarf. Accordingly, this redevelopment will generate close to 2,000 jobs during the construction, and up to 1,000 retail position once construction is completed.



Macarthur Square

Castle Towers Shopping Centre

Castle Towers Shopping Centre will under go a redevelopment of its existing 193,457 sqm centre to add on an extra 80,000 sqm in retail space. The aim of this redevelopment is to provide shoppers with an immersive experience through its community embracing space. The re-development aim to deliver improved shoppers' shopping and dining experience, as well as car park facilities. The \$900 million expansion plan will aim to improve access and circulation through the parking area by introducing new entry and exit points.

Glenrose Village Shopping Centre

Glenrose Village Shopping Centre, located in Sydney's northern beaches suburb of Belrose, reopened in mid-June after the completion of the first stage of redevelopment. The \$60 million project resulted in the opening of supermarket chain Woolworths and two dozen specialty stores opening after the completion of the first stage. The second stage of redevelopment, expected to be completed in April this year, will result in the opening of an Aldi, a large fruit grocer and further four specialty stores. Alongside many former tenants returning to the centre, it will also host a new selection of new restaurants, cafes and alfresco dining area as well as 520 car park spaces.



Glenrose Village Shopping Centre



Castle Towers Shopping Centre

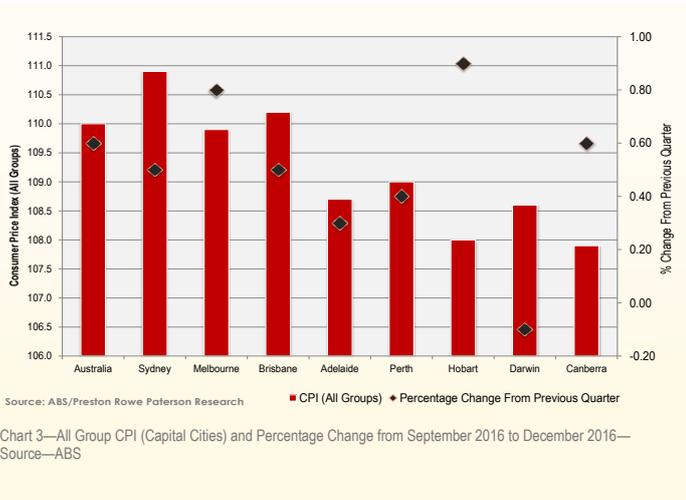
Economic Fundamentals

Consumer Price Index

All Groups CPI numbers for the December quarter indicate that inflation rate had increased by 0.5% over the quarter, bringing price growth to 1.5% over the year. Core inflation (inflation with volatile items stripped out) increased 0.4% over the quarter to bring annual growth to 1.6%. The yearly increase to December is still larger than the yearly increase recorded in September (1.3%), though figures were still lower than economists' expectations for a 0.7% rise. Notably, the 1.5% increase over the calendar year is the lowest in nineteen years, with the last time being back in 1997 when inflation fell backwards by 0.2%.

The main contributors to the quarterly increase stemmed from Alcohol & tobacco group (+2.8%), Transport group (+1.7%), Food & non-alcoholic beverages group (+0.6%) and Recreation & culture group (+0.6%). On the other hand the largest decline in prices stemmed from the Communications group (-0.8%), Furnishing, household equipment & services group (-0.8%), Health group (-0.6%) and Clothing & footwear group (-0.5%).

Australia's Housing group increased by 0.3% over the quarter, with the main contributors to this rise stemming from purchases of New dwellings by owner-occupiers (+0.5%) and maintenance & repair of dwellings (+1.0%). The ABS did note that the increase in purchases of new dwellings by owner-occupiers is driven by rises in input costs. Over the calendar year, the Housing group experienced an increase of 1.9%, with the main contributor again being purchases of new dwellings by owner-occupiers (+0.5%).

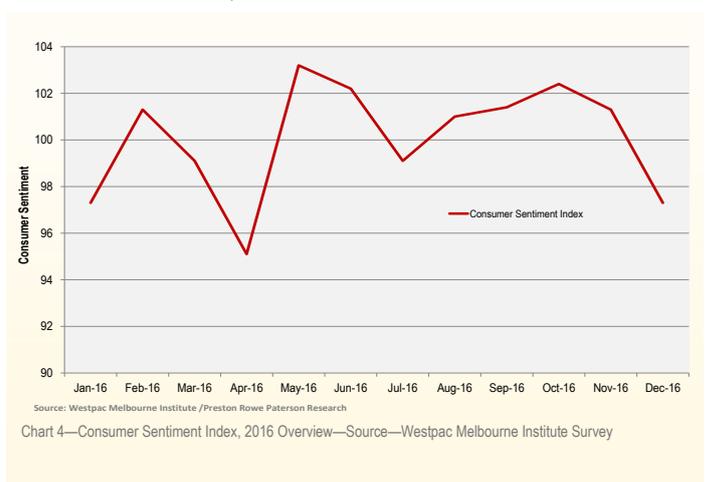


Business Sentiment

Business conditions declined over the month to November, as the National Bank of Australia reports further declines in business conditions that is mainly driven by profitability and trading conditions in sales and subdued levels of employment in Australia. For the month of November, business conditions index declined by 2 points to +5 index points, ultimately declining to long run average levels for the first time since April 2015. In saying this, business confidence has increased over the month, remaining steady through the year. Business confidence in response to global political events, i.e. Brexit and the US Presidential elections were relatively flat, though when combined with weakening business conditions makes confidence a more difficult measure to accurately calculate.

Consumer Sentiment

Consumer sentiment, as measured by the Westpac Melbourne Institute Index, dropped in December amidst concerns circling the economy, interest rates and the labour market. The index stands at 97.3- a decline of 3.5% from November's index of 101.30- and indicates that pessimists now outnumber optimists (with 100 being the cut-off point). The index stands at its lowest level in six months, just higher than April's index of 95.1, with the Australian economic condition, budget and taxation, geopolitical conditions, employment, politics and interest rates the main issues influencing respondents' attitudes and decisions. It is noted that since September, respondents were less optimistic in their assessment of Australia's economic conditions, employment and interest rates, and unchanged in their assessments of taxation and the budget, international conditions and politics.



Gross Domestic Product

Through the September quarter*, seasonally adjusted GDP declined by 0.5%, a figure that is well below what many economists have forecasted prior. This is the first quarterly contraction in twenty-one consecutive quarter (the last contraction was in March 2001, during which the economy shrunk by 0.2%). Following this contraction, yearly growth was dragged to a below expectation figure of 1.8%.

The September quarter also brought through a decline of 1.4% in dwelling investment, of which the fall was mainly influenced by New and Used Dwelling (-1.6%) and Alterations and additions (-1.0%). The ABS reported that poor weather partly influenced the decline. Nevertheless, annual growth stood at 7.2% and Private sector residential building approvals up 9.4% from September quarter 2015 (\$20.4billion in original current price term for this quarter). Mining Investment fell 10.6% for the quarter, marking the twelve consecutive quarterly declines in Australia. Non-mining investment increased by 4.8%, which has been contributing to the positive increase set since the March quarter of 2014. As noted by the ABS, Mining investment contributed 9.4% to GDP during its peak in December of 2012, and now has fallen to 3.4%. Non-mining investment contribution in December 2012 was 7.5%, and has risen ever since to the current quarter's contribution of 9.0%.

When we look at expenditure measures, Household final consumption expenditure increased by 0.4% (Seasonally adjusted terms) over the quarter, and 2.5% over the year. The ABS reported that this rise is attributed to an increase in spending in Hotels, cafes and restaurants (2.2%) and Insurance and other financial services (1.3%). Over the period, Gross fixed capital formation declined by 2.7%, Exports of goods and services increased by 0.3%, and Imports increased by 1.3% (all in seasonally adjusted terms).

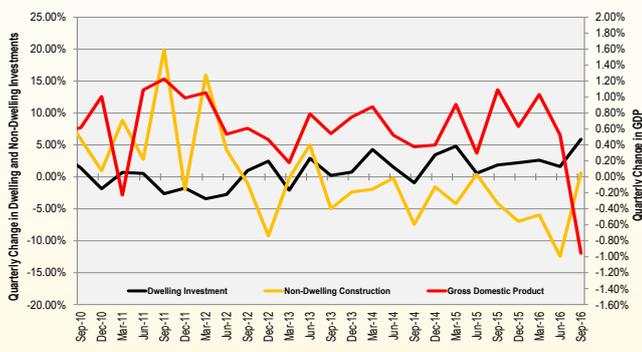
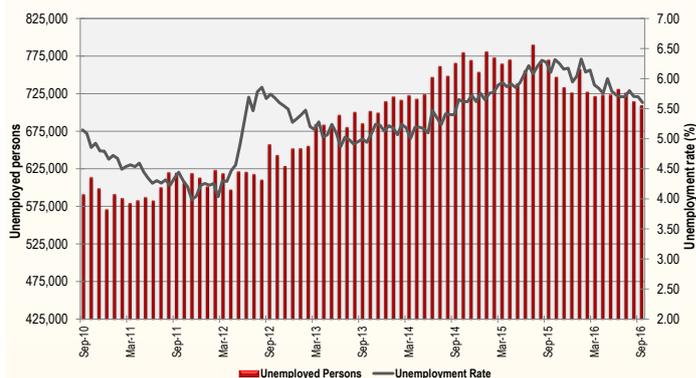


Chart 5— Percentage Change in Dwelling, Non-Dwelling Investments and GDP— Source: ABS

Unemployment

Australia's unemployment rate in December increased by 0.1% to 5.8%, with the rise influenced by the participation rate increasing to 64.7%. There was a 13,500 increase in seasonally adjusted employment over the month to December 2016, with full-time employment increasing by 9,300 persons and part-time employment increasing by 4,200 persons. Nation-wide analysis sees the largest increase in employment in Victoria, which was up 13,600 persons, and the largest slump deriving from the state of Queensland, which was down 13,700 jobs over the month. Western Australia was the other state to experience a decrease in employment in December, down by 7,900 persons. Unemployment increased the most in New South Wales (up 0.3%) and Queensland (up 0.2%). Western Australia and South Australia experienced a decrease in unemployment rate, of 0.3% and 0.2% respectively.



Source: ABS/Preston Rowe Paterson Research

Chart 6— Unemployment Persons and Unemployment Rate, September 2010 to September 2016 — Source: ABS

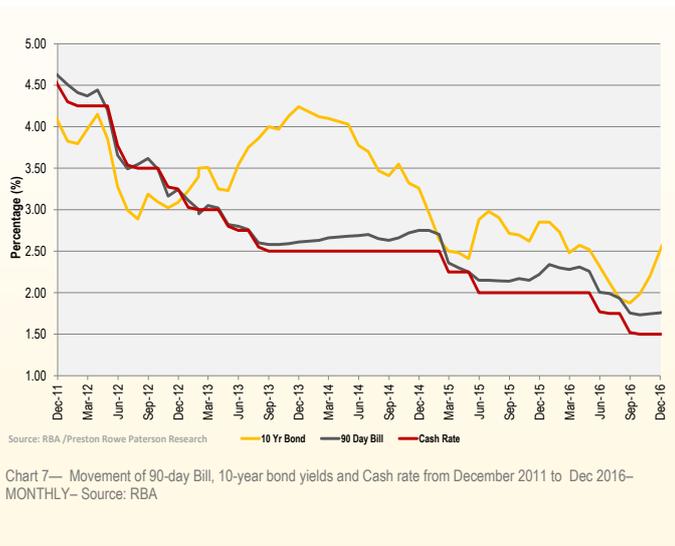
	Unemployment Rate (%)		Participation Rate (%)	
	November	December	November	December
Australia	5.7	5.8	64.6	64.7
New South Wales	4.9	5.2	63.4	63.5
Victoria	6.0	6.0	65.7	65.9
Queensland	6.0	6.2	64.4	64.1
South Australia	7.0	6.8	62.3	62.1
Western Australia	6.9	6.6	67.9	67.3
Tasmania	6.3	6.4	59.8	59.8
Northern Territory*	3.6	3.6	75.9	77.3
Australian Capital Territory*	3.7	3.7	70.4	70.5

Table 4— Unemployment Rate and Participation Rate, November vs. December 2016 — Source: ABS
* Trend figures used for NT and ACT as seasonally adjusted data both either are not publicly available

10 Year Bond & 90 Day Bill Rate

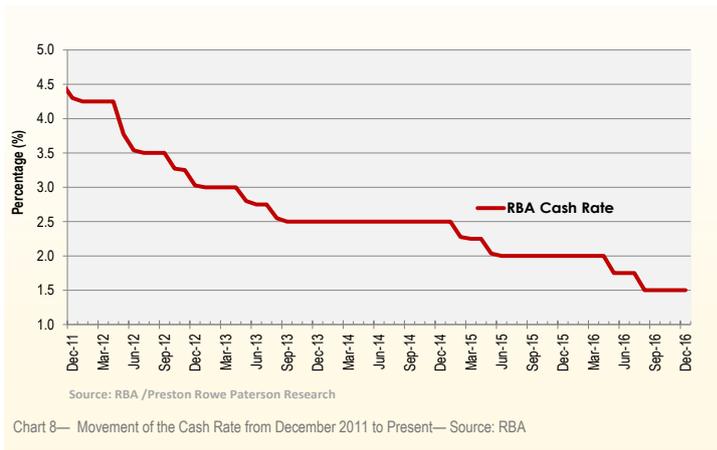
Ten-year Australian government bond yields finished the calendar year at 2.79% for December, after a tumultuous year in the global bond market. This rate reflects a 0.29% increase from November, 0.81% increase from three months prior and a decline of 0.06% over the year from December 2015. The ninety-day bank bill swap rate increased modestly by 0.02% over the month to 1.78%. This rate reflects an increase of 0.05% from three months prior and a decline of 0.56% from the previous year. After reaching an all-time low of 1.82% at the start of August, Australian bond yields have followed the path of the US Treasury yields as they increase sharply after the US Presidential election.

Other major economies around the world have experienced similar increases in their sovereign bonds, though not to the extent of changes that have taken place in the US Bond market. The Reserve Bank did note that even though changes in Treasury yields were large, they were not as large as previously recorded movements in recent decades and are still at a historical low. Furthermore, a rate increase from the US Federal Reserve in December helped the yields to increase to 2.87% in mid-December, before slowly settling down to 2.76% towards month-end. As a result of the increase in yields, global and domestic borrowing costs have followed suit, with Australian banks raising home loan rates by as much as 0.60% since the US election.



Interest Rates

The Reserve Bank kept interest rates unchanged for December at 1.50%, after it dropped rates to historically low level in August. The decision to keep the cash rate on hold was influenced mainly by positive global growth from advanced economies as well as Australia's main Asian trading partners, improvements in labour market conditions domestically and internationally, improvement in Australia's terms of trade as influenced by rising commodity prices and a well-functioning financial market. The bank did note that the Australian economy is still in a transitional phase from the gains made from the mining investment boom but highlight the expectation of an increase in commodity exports towards 2017. Inflation remains below the Reserve Bank's target of 2-3%, with the bank indicating that it will be some time until inflation increases dramatically, as labour costs remain subdued. The Bank also targeted Australia's labour force, noting growing trend of part time employment and a slow-down in overall employment growth.



Exchange Rate

According to figures collated from the RBA, the Australian Dollar depreciated against most major currencies over the month of December, except for the Japanese Yen. Notably, there was a depreciation in the Australian Dollar of 3.2% over the month against the US Greenback, with \$AUD1 buying \$USD0.75 in November, and dropping to \$USD0.72 in December. December's figure also signifies a depreciation of 5.2% from September, when the exchange rate was at \$USD0.76. The Dollar also depreciated against the British Pound, declining 1.6% over the month from £0.60 in November to £0.59 in December. There was a depreciation of 2.2% over the month against the Euro, declining from €0.70 in November to €0.69 in December. In contrast, the Australian Dollar performed better against the Japanese Yen, appreciating a slight 0.3% from ¥84.23 in November to ¥84.47 in December.

Our Research

At Preston Rowe Paterson, we pride ourselves on the research which we prepare in the market sectors within which we operate. These include Commercial, Retail, Industrial, Hotel & Leisure and Residential property markets as well as infrastructure, capital and plant and machinery markets

We have *property* covered

- Investment
- Development
- Asset
- Corporate Real Estate
- Mortgage
- Government
- Insurance
- Occupancy
- Sustainability
- Research
- Real Estate Investment Valuation
- Real Estate Development Valuation
- Property Consultancy and Advisory
- Transaction Advisory
- Property and Asset Management
- Listed Fund, Property Trust, Super Fund and Syndicate Advisors
- Plant & Machinery Valuation
- General and Insurance Valuation
- Economic and Property Market Research

We have all *real estate* types covered

We regularly provide valuation, property and asset management, consultancy and leasing services for all types of real estate including:

- CBD and Metropolitan commercial office buildings
- Retail shopping centres and shops
- Industrial, office/warehouses and factories
- Business parks
- Hotels (accommodation) and resorts
- Hotels (pubs), motels and caravan parks
- Residential development projects
- Residential dwellings (individual houses and apartments/units)
- Rural properties
- Special purpose properties such as: nursing homes; private hospitals, service stations, oil terminals and refineries, theatre complexes; etc.
- Infrastructure including airports and port facilities

We have all types of *plant & machinery* covered

We regularly undertake valuations of all forms of plant, machinery, furniture, fittings and equipment including:

- Mining & earth moving equipment/road plant
- Office fit outs, equipment & furniture
- Agricultural machinery & equipment
- Heavy, light commercial & passenger vehicles
- Industrial manufacturing equipment
- Wineries and processing plants
- Special purpose plant, machinery & equipment
- Extractive industries, land fills and resource based enterprises
- Hotel furniture, fittings & equipment

We have all *client profiles* covered

Preston Rowe Paterson acts for an array of clients with all types of real estate, plant, machinery and equipment interests such as:

- Accountants
- Banks, finance companies and lending institutions
- Commercial and Residential non bank lenders
- Co-operatives
- Developers
- Finance and mortgage brokers
- Hotel owners and operators
- Institutional investors
- Insurance brokers and companies
- Investment advisors
- Lessors and lessees
- Listed and private companies corporations
- Listed Property Trusts
- Local, State and Federal Government Departments and Agencies
- Mining companies
- Mortgage trusts
- Overseas clients
- Private investors
- Property Syndication Managers
- Rural landholders
- Self managed super funds
- Solicitors and barristers
- Sovereign wealth funds
- Stock brokers
- Trustee and Custodial companies



We have all *locations* covered

From our capital city and regional office locations we serve our client's needs throughout Australia. Globally, we operate directly or via our relationship offices or special purpose real estate asset classes, infrastructure and plant & machinery.

We have *your needs* covered

Our clients seek our property (real estate, infrastructure, plant and machinery) services for a multitude of reasons including:

- Acquisitions & Disposals
- Alternative use & highest and best use analysis
- Asset Management
- Asset Valuations for financial reporting to meet ASIC, AASB, IFRS & IVSC guidelines
- Compulsory acquisition and resumption
- Corporate merger & acquisition real estate due diligence
- Due Diligence management for acquisitions and sales
- Facilities management
- Feasibility studies
- Funds management advice & portfolio analysis
- Income and outgoings projections and analysis
- Insurance valuations (replacement & reinstatement costs)
- Leasing vacant space within managed properties
- Listed property trust & investment fund valuations & revaluations
- Litigation support
- Marketing & development strategies
- Mortgage valuations
- Property Management
- Property syndicate valuations and re-valuations
- Rating and taxing objections
- Receivership, Insolvency and liquidation valuations and support/ advice
- Relocation advice, strategies and consultancy
- Rental assessments and determinations
- Sensitivity analysis
- Strategic property planning

About This Report

Preston Rowe Paterson prepare standard research reports covering the main markets within which we operate in each of our capital cities and major regional locations.

Within this report we analysed the sales, leases and developments over the past six months to the reported quarter in various NSW locations of retail property categorized as; city centre, super-regional centre, major regional centre, regional centre, sub-regional centre and neighbourhood centre.

To compile the research report we have considered the most recently available statistics from known sources. Given the manner in which statistics are compiled and published they are usually 3-6 months out of date at the time we analyse them. Where possible we consider short term movement in the statistics by looking at daily published data in the financial press. Where this shows notable fluctuation, when compared to the formal published numbers we have commented accordingly.



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